

Members

Sen. Sue Landske, Chairperson
Sen. Marvin Riegsecker
Sen. Joseph Zakas
Sen. Anita Bowser
Sen. Frank Mrvan
Sen. Earline Rogers
Rep. Ralph Ayres, Vice-Chairperson
Rep. Mary Kay Budak
Rep. Don Lehe
Rep. Scott Pelath
Rep. Charlie Brown
Rep. Duane Cheney
Mayor Daniel M. Klein
James Pettit



NORTHWEST INDIANA TRANSPORTATION STUDY COMMISSION

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Dan Paliganoff, Attorney for the Commission
James Spertlik, Fiscal Analyst for the Commission

Authority: P.L. 169-2006

MEETING MINUTES¹

Meeting Date: October 25, 2006
Meeting Time: 10:00 A.M.
Meeting Place: Administration Building; Gary
Chicago International Airport ,
Conference Room
Meeting City: Gary, Indiana
Meeting Number: 2

Members Present: Sen. Sue Landske, Chairperson; Sen. Marvin Riegsecker; Sen. Joseph Zakas; Sen. Earline Rogers; Rep. Ralph Ayres, Vice-Chairperson; Rep. Mary Kay Budak; Rep. Don Lehe; Rep. Scott Pelath; Rep. Duane Cheney; James Pettit.

Members Absent: Sen. Anita Bowser; Sen. Frank Mrvan; Rep. Charlie Brown; Mayor Daniel M. Klein.

Commencement of the Meeting

Sen. Sue Landske, Chairwoman of the Commission, called the meeting to order at 10:25 a.m. (CDT).

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Ports of Indiana -- Burns Harbor/Portage

Sen. Landske began by welcoming **Stephen Mosher**, Port Director of the Port of Indiana-Burns Harbor/Portage. Mr. Mosher has served as Port Director since September 2002.

An outline of Mr. Mosher's presentation can be found at Exhibit 1. His presentation included remarks on:

- Indiana's business friendly climate
- Ports of Indiana overview
- Future infrastructure needs
- Future dredging needs
- The proliferation of aquatic nuisance species and ballast water regulation
- Intermodal transportation opportunities, and
- Short sea shipping opportunities

In Mr. Mosher's overview of the Ports, he referred to a promotional piece that features an overhead view photograph of the Port at Burns Harbor. See Exhibit 2.

On future dredging needs, Mr. Mosher emphasized that the Port at Burns Harbor does not need to be dredged. He said that some recent publicity about ships churning up sediment is entirely attributable to prevailing low lake levels. Water levels are known to fluctuate on a thirty-five year cycle, he explained, and during the past four to five years water levels have been at the low ebb of that cycle. He added that the Army Corps of Engineers is aware of the situation and any adjustments are their responsibility.

Mr. Mosher gave particular attention to initiatives to protect against invasive aquatic species, both plant and animal. Mr. Mosher emphasized that the proliferation of invasive species is a worldwide problem and a key point of attack in this effort is the treatment of ballast water. Mr. Mosher's main point to the legislators of the Commission was that a patchwork of state regulation addressing this problem would be an extremely undesirable outcome from an economic perspective. A federal standard, he insisted, is the preferable approach. Although a federal standard may be more difficult and time-consuming to formulate, he was confident that once a federal standard is adopted, the rest of the world will likewise adopt or adhere to it for the simple reason that the United States is the world's largest importer and exporter of goods.

Mr. Mosher then turned to the topic of intermodal transportation, i.e., the use of standard shipping containers to make it feasible to move freight by the least expensive alternative--whether by train, truck, or vessel--at any point in its journey from source to destination. Mr. Mosher used two maps of the United States to illustrate the potential opportunities for the Port in intermodal transportation. Exhibit 3 illustrates the concentration of consumers in the eastern half of the United States. And Exhibit 4 shows that Chicago is the key point of congestion in moving freight by rail from east to west in the United States. Mr. Mosher told the Commission that the opportunity lies in the fact that there is no one national railroad, and thus all freight that comes into Chicago must be transferred to another rail carrier. The idea the Port is attempting to develop, Mr. Mosher explained, is to have the railroads drop off their freight in Indiana for further transport by ship. However, this idea requires additional capital investment, something the railroads themselves are reluctant to undertake.

Mr. Mosher also talked about opportunities in short-sea shipping. The basic idea of short-sea shipping is to move freight from port to port by ship rather than prematurely off-loading onto land transport. The Great Lakes and the inland waterway system depicted in Exhibit

5 provide the means for developing a short-sea shipping industry. Truck congestion on the highways continues to grow, Mr. Mosher pointed out, and likewise federal highway costs are continually increasing. Short-sea shipping provides a way to relieve congestion and to reduce costs. One impediment to the development of short-sea shipping is the federal harbor maintenance tax. Mr. Mosher included in his materials an article from the Journal of Commerce describing the efforts of proponents of short-sea shipping who are seeking an exemption from the harbor maintenance tax. See Exhibits 6 and 7.

Mr. Mosher concluded his presentation with a short discussion of Port security.

Gary Chicago International Airport

Sen. Landske next recognized **Chris Curry**, Airport Director of the Gary Chicago International Airport (Airport). Mr. Curry has served as Airport Director since August 2006, when he was promoted from the position of Deputy Director.

Mr. Curry referred to an aerial photograph of the Airport throughout his presentation, which is not reproduced here in any Exhibit. However, a similar view can be found on the Airport's website at <http://www.garychicagoairport.com/masterplan.asp>.

Mr. Curry reviewed the Airport's expansion plans for the Commission, beginning with the extension of the main runway. At the present time, the primary runway is 7,000 feet in length. The expansion plan calls for extending the primary runway by 1900 feet. Mr. Curry explained that currently the Airport has nonstandard safety areas at the ends of the runway for takeoffs and landings. The safety areas are required by federal regulations, but the Airport was allowed to operate with these nonstandard safety areas. The extension of the primary runway would implement standard safety areas.

A key hindrance to the plan for extending the primary runway is a segment of the EJ&E Railroad that runs along the west boundary of the Airport. Mr. Curry said that the tracks sit on a twenty-three foot embankment, which even now puts limits on departures at full weight. In order to undertake the extension of the primary runway, the EJ&E will have to be rerouted further to the west.

In addition to the EJ&E Railroad relocation, Mr. Curry added, there are huge high voltage power lines to the west. The expansion plan calls for taking the power lines off of towers and burying them underground.

The total cost of the primary runway extension is estimated at \$90 million, Mr. Curry said, including \$57.8 million from the federal government, \$20 million from the Northwest Indiana Regional Development Authority, and \$9.5 million from the City of Chicago.

Mr. Curry reported the Airport's navigation system has also been upgraded as part of the expansion.

Mr. Curry told the Commission that the extension of the primary runway and the attendant modifications are actually part of a larger twenty-year expansion plan. Another aspect of expanding the Airport's capabilities is to increase the ability to handle air cargo. However, Mr. Curry explained, cargo traffic is even more demanding than passenger traffic. Cargo carriers utilize an airport around the clock, every day of the year. And cargo pilots want to be able to take off and land from four directions. An important part of accommodating these requirements would be to extend the cross-wind runway to 10,000 feet.

In order to make that expansion to the cross-wind runway, Mr. Curry elaborated, NIPSCO's Dean Mitchell Generating Station located to the north of the Airport will have to be removed. Although the Dean Mitchell plant has been closed since January 2002, Mr. Curry indicated there has been some recent talk about reopening the plant. Mr. Curry said that if the plant were left where it is, the altitude at which a pilot must decide to commit to landing or divert would increase to 500 feet, which would greatly increase the number of diversions and therefore be economically unreasonable for cargo carriers.

Rep. Ralph Ayres, Vice-Chairman, asked Mr. Curry about the connections between the Airport and the South Shore and the Regional Bus Authority. Mr. Curry answered that as it stands now the nearest South Shore stop has a number of drawbacks. Mr. Curry said that a better solution would probably be a connection at the main metro bus stop, with a shuttle that went back and forth between the main metro bus stop and the Airport.

Mr. Curry concluded his presentation by telling the Commission that the Army National Guard has recently decided to locate five helicopters at the Airport to enhance homeland security for Chicago and northwest Indiana.

Conclusion of the meeting

Sen. Landske called the Commission's attention to the minutes of the previous meeting. The minutes were approved by a voice vote of the Commission without alteration.

Before concluding the meeting, Sen. Landske gave special recognition to Rep. Ralph Ayres and Rep. Mary Kay Budak, both of whom will not be returning to the House of Representatives for the next term.

Sen. Landske thanked the members of the Commission and the Legislative Services Agency staff for their service during the interim.

Sen. Landske then declared the meeting adjourned at 12:15 p.m.